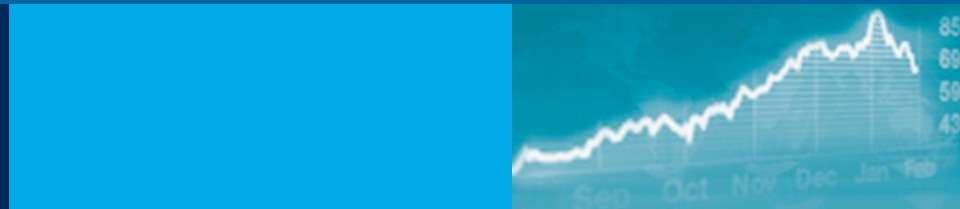




National and Regional Economic Outlook

VA Senate Finance Committee
November 21, 2019



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Research Department



The views and opinions expressed herein are those of the author. They do not represent an official position of the Federal Reserve Bank of Richmond or the Federal Reserve System.

What is the Story?

On the one hand...

- Consumer spending growth is solid
- Employment is growing and labor markets are tight
- The Virginia economy continues to grow

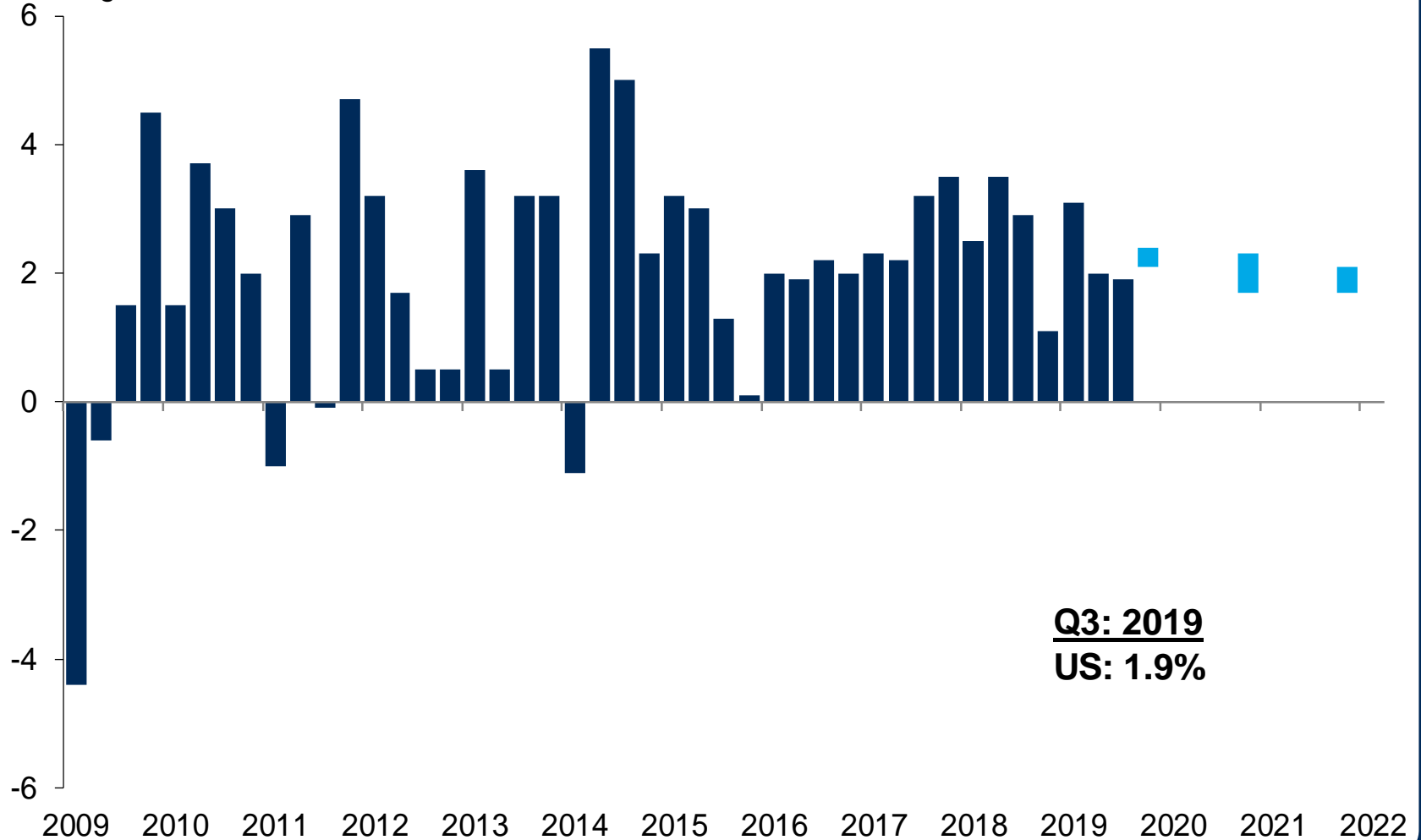
On the other hand...

- Residential and business investment has been soft
- Slowdown in manufacturing, particularly among firms with a global reach
 - Trade policy remains uncertain
 - Global economic growth is slowing
- Sentiment indices are soft
- Growth in Virginia continues to trail that of the nation and economic activity is not uniform across the Commonwealth

National Economic Trends

U.S. Real Gross Domestic Product

% Change, SAAR

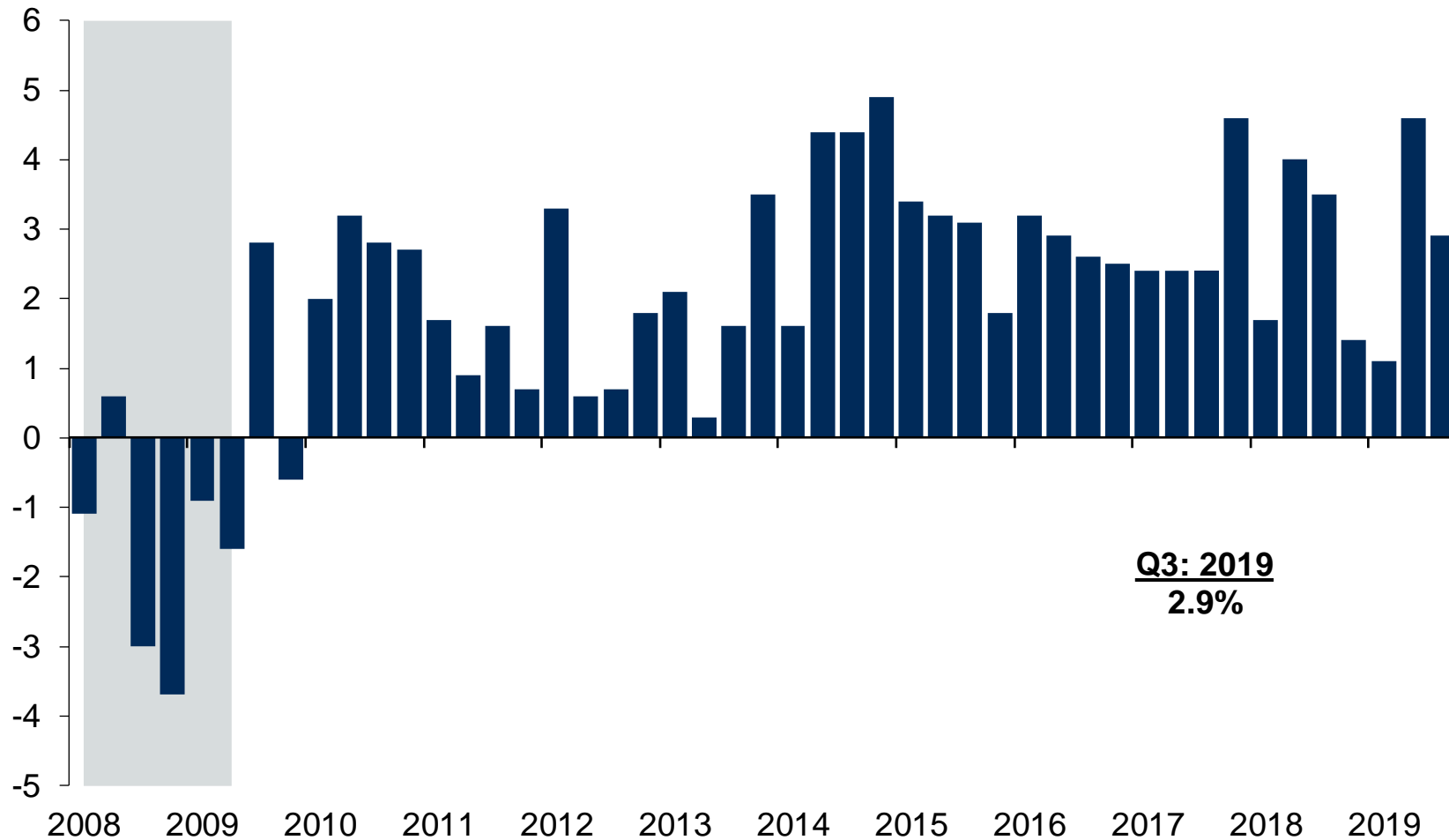


Q3: 2019
US: 1.9%

Source: Bureau of Economic Analysis, Federal Reserve Board /Haver Analytics

Personal Consumption Expenditures

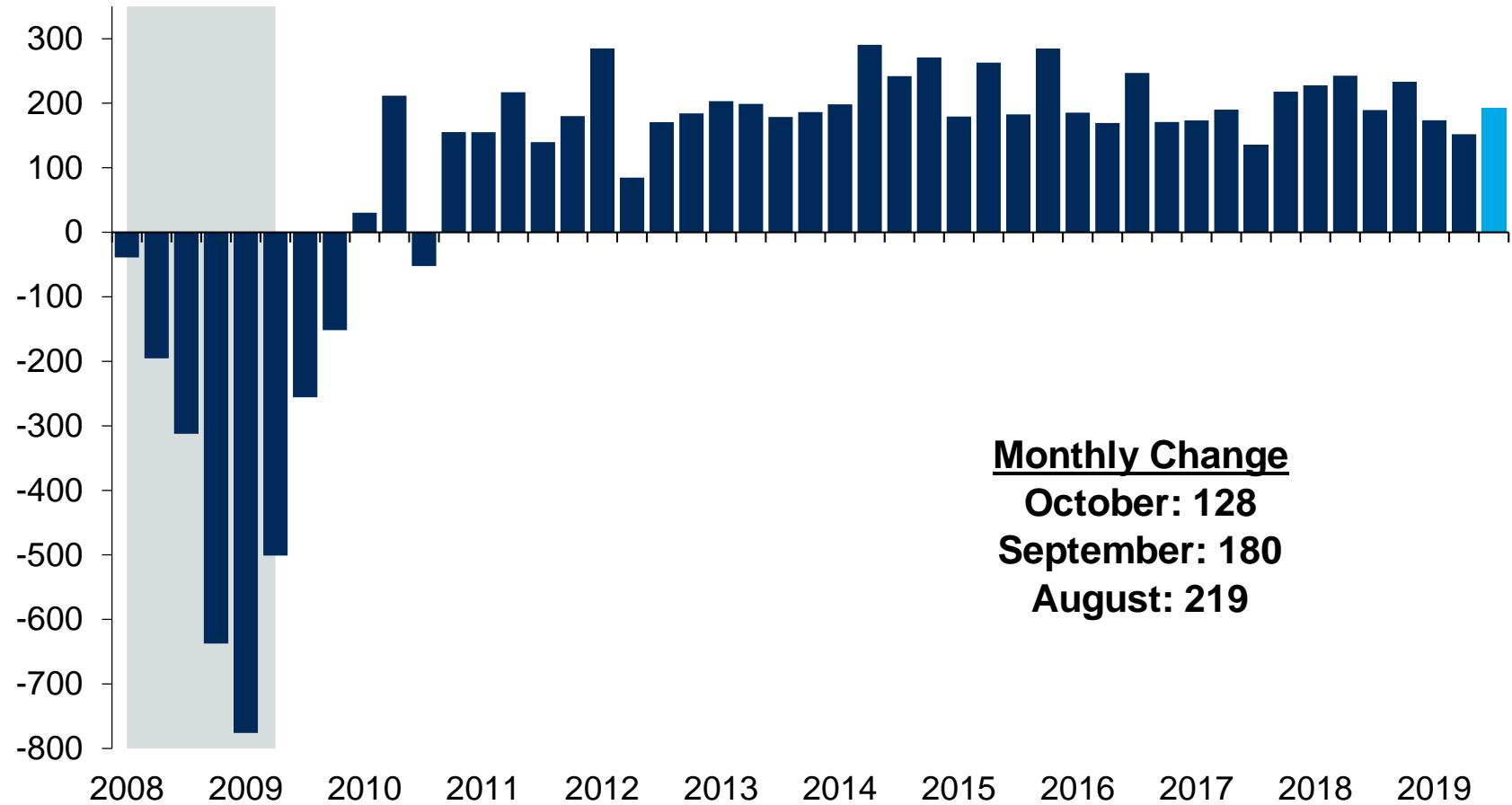
% Change, SAAR



Q3: 2019
2.9%

Total Employment Growth

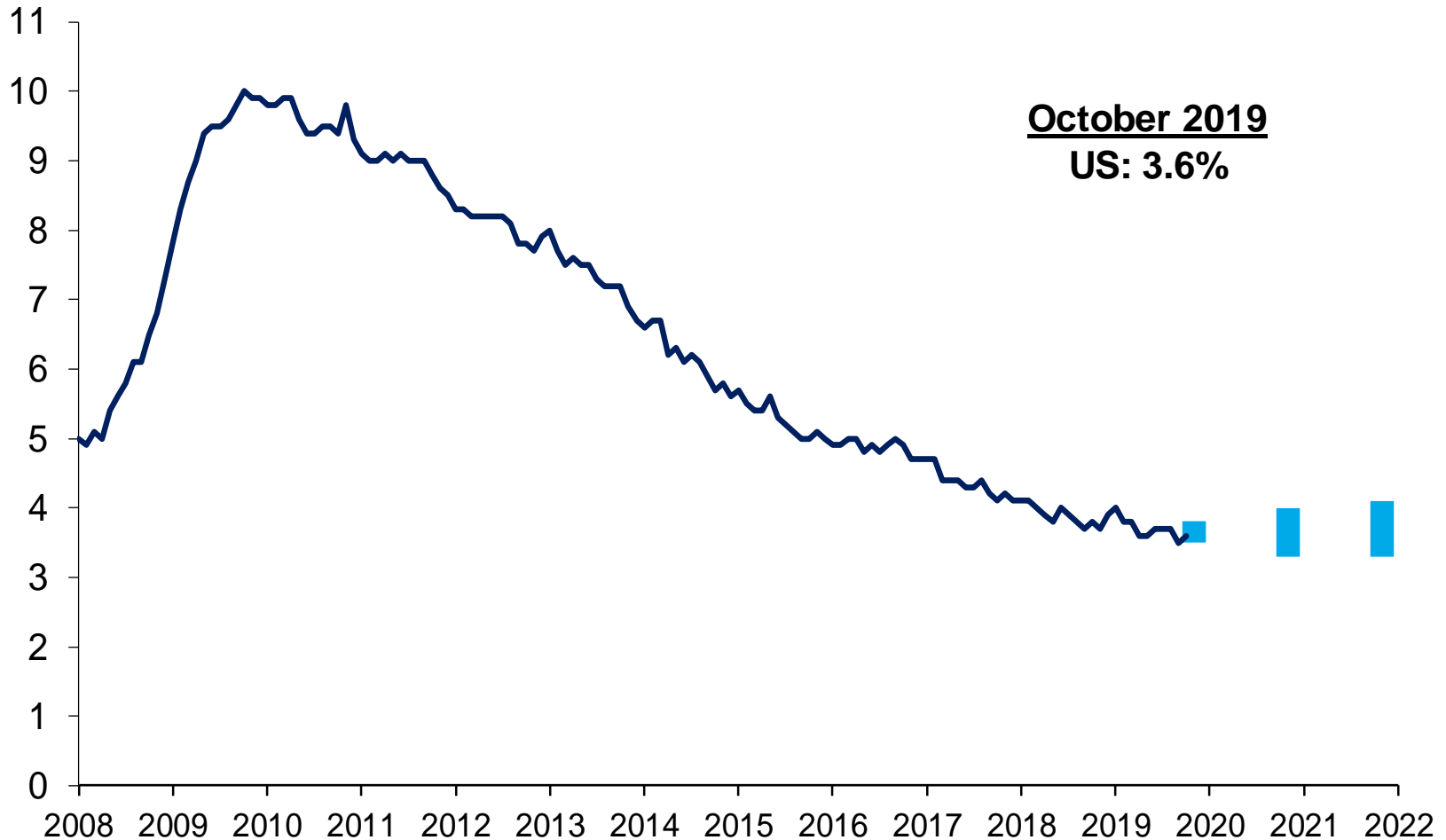
Average Monthly
Change, Thous.



Source: Bureau of Labor Statistics/Haver Analytics

Unemployment Rate

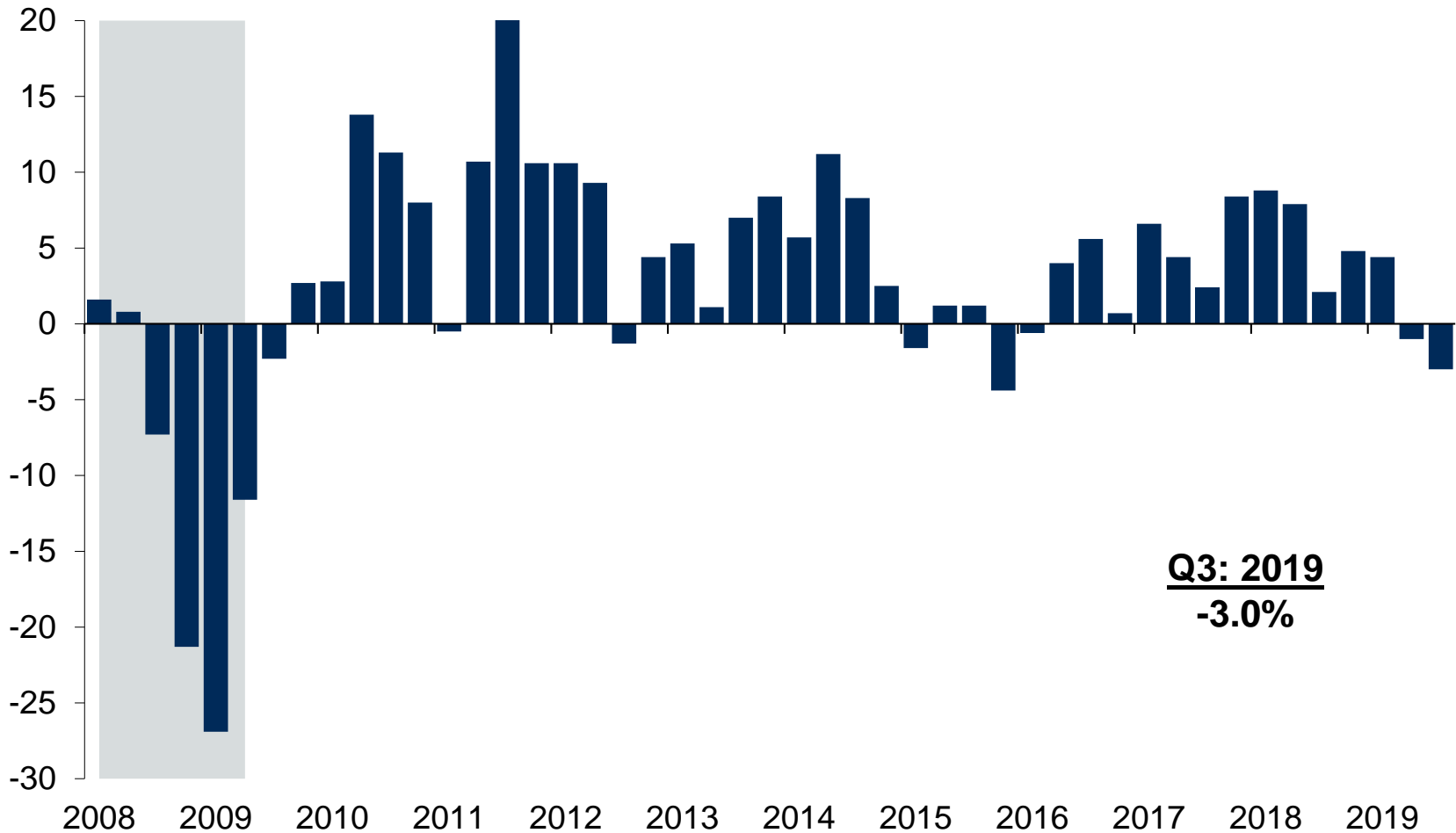
Unemployment
Rate (Percent)



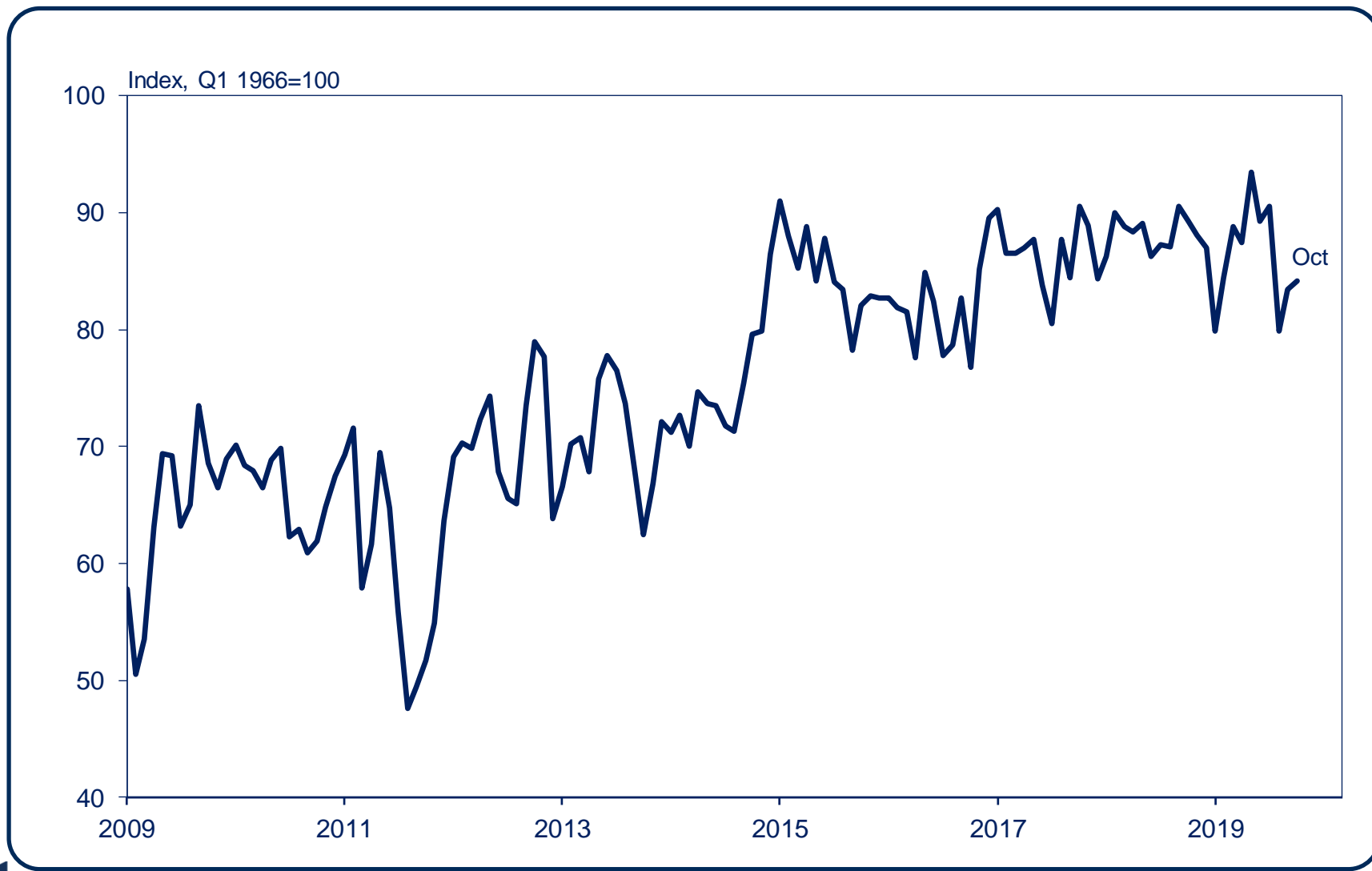
Source: Bureau of Labor Statistics, Federal Reserve Board of Governors/Haver Analytics

Non-residential Fixed Investment

% Change, SAAR

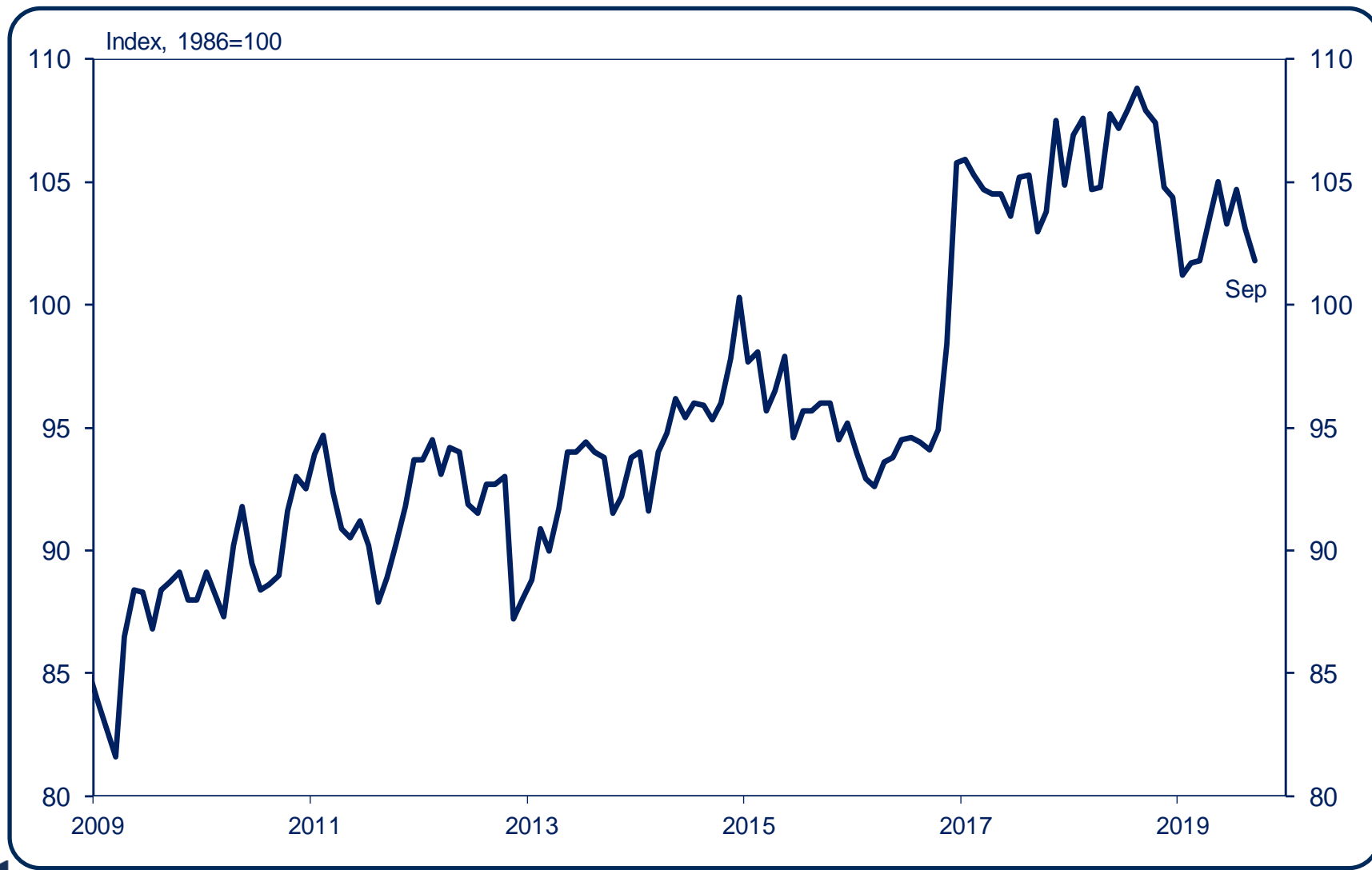


University of Michigan Consumer Expectations



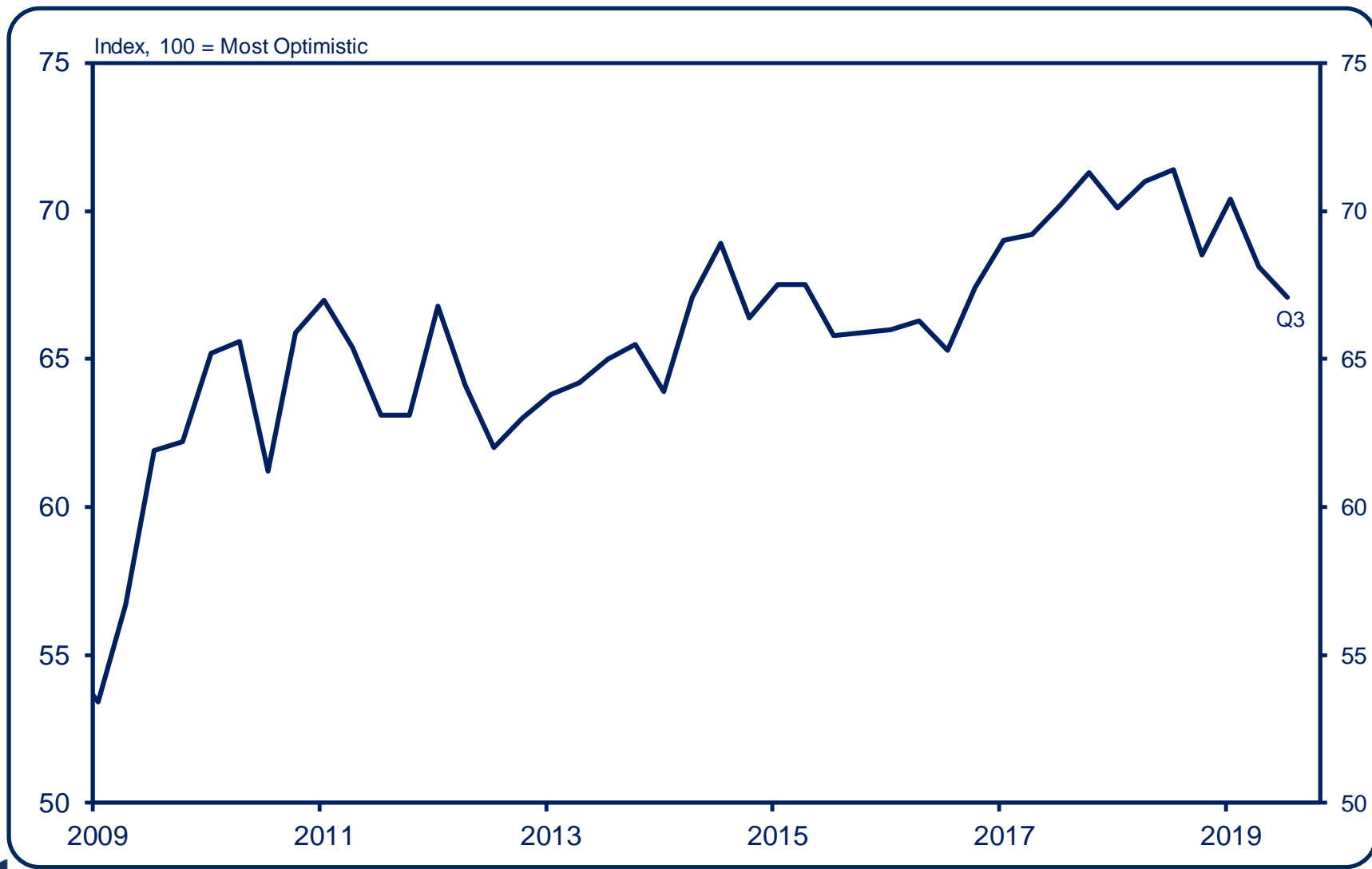
Source: University of Michigan via Haver Analytics

National Federation of Independent Business



Source: NFIB via Haver Analytics

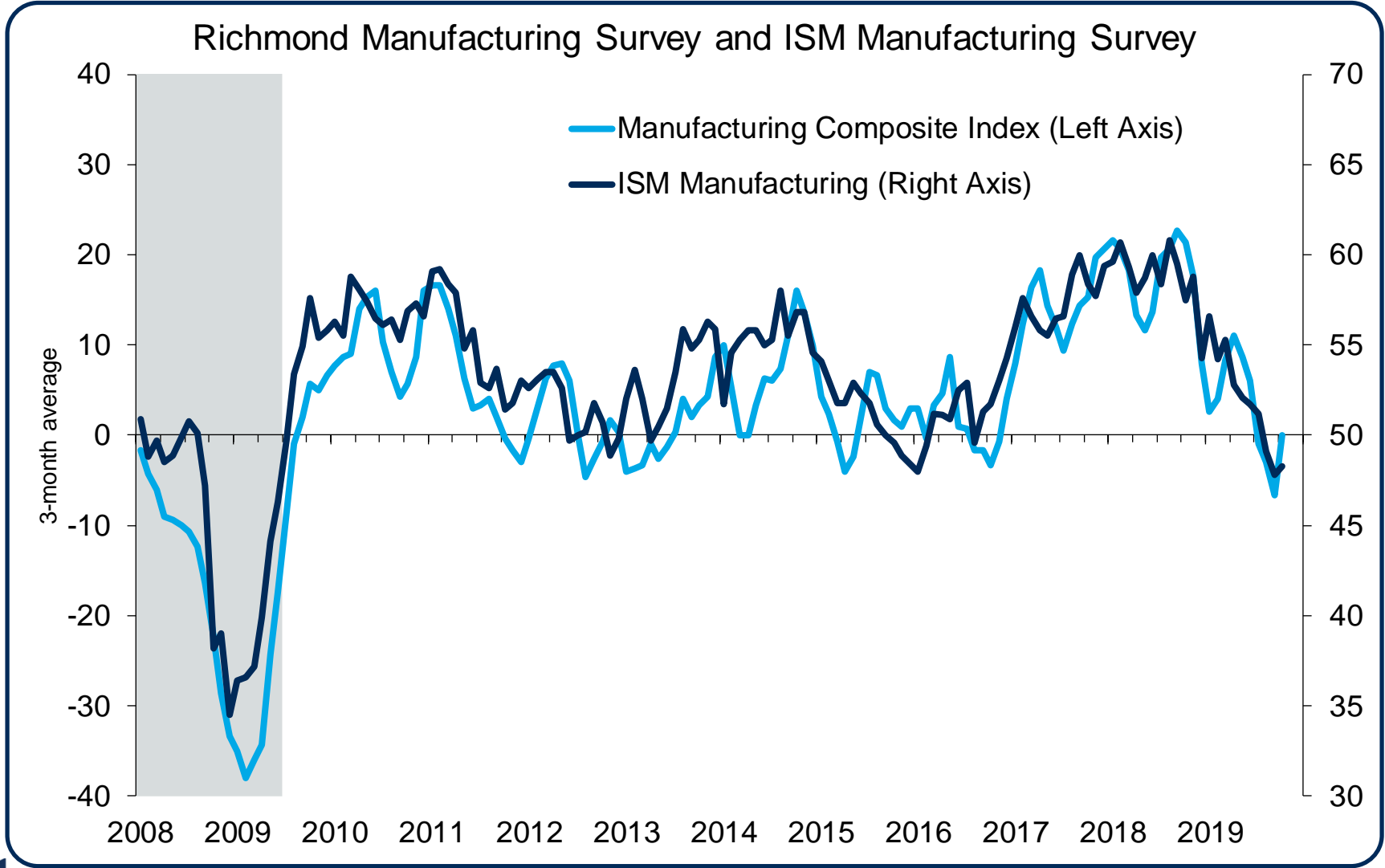
Duke/CFO Survey



Source: Duke/CFO via Haver Analytics

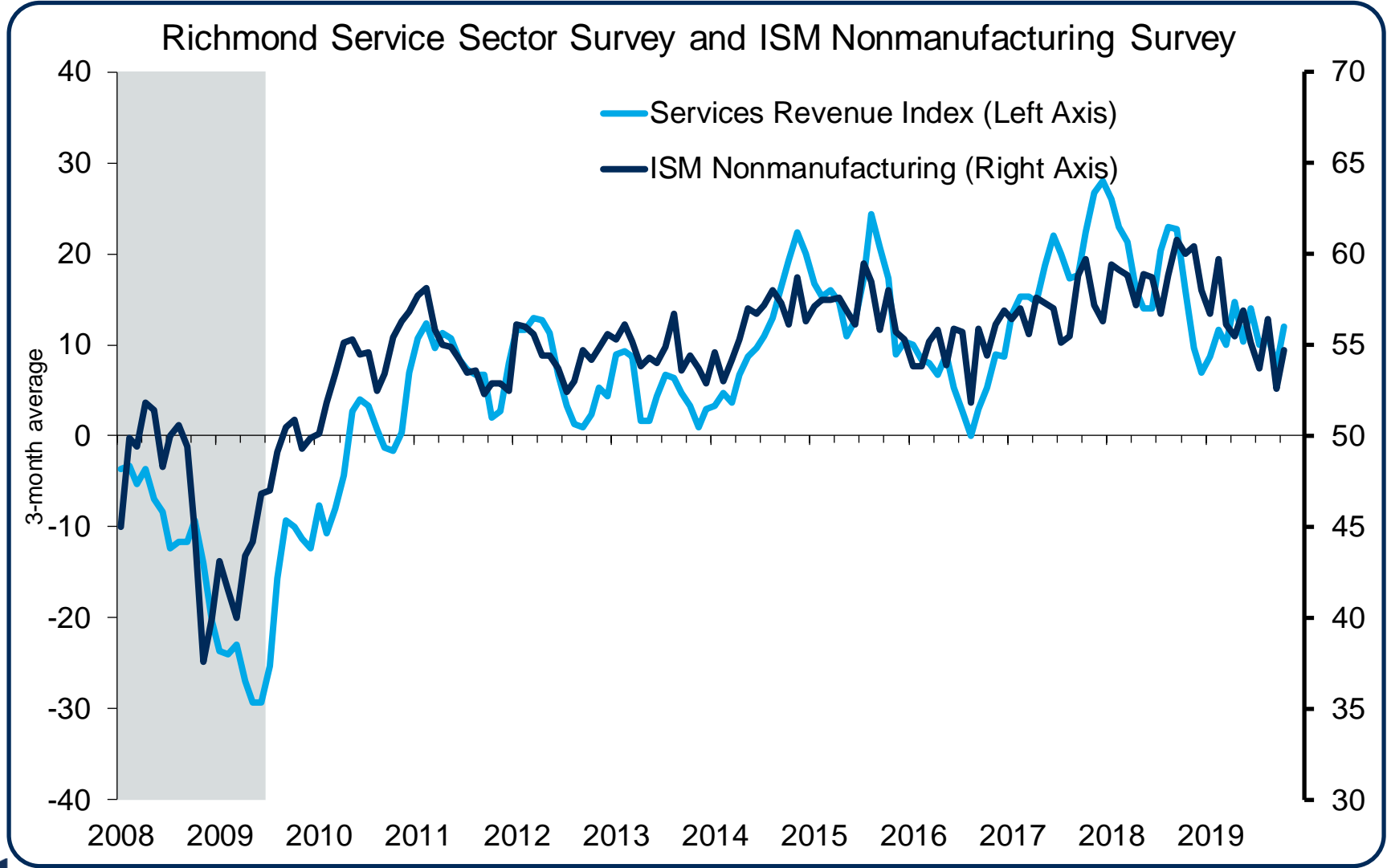
Regional Economic Trends

Economic Activity in the Fifth District Manufacturing Sector



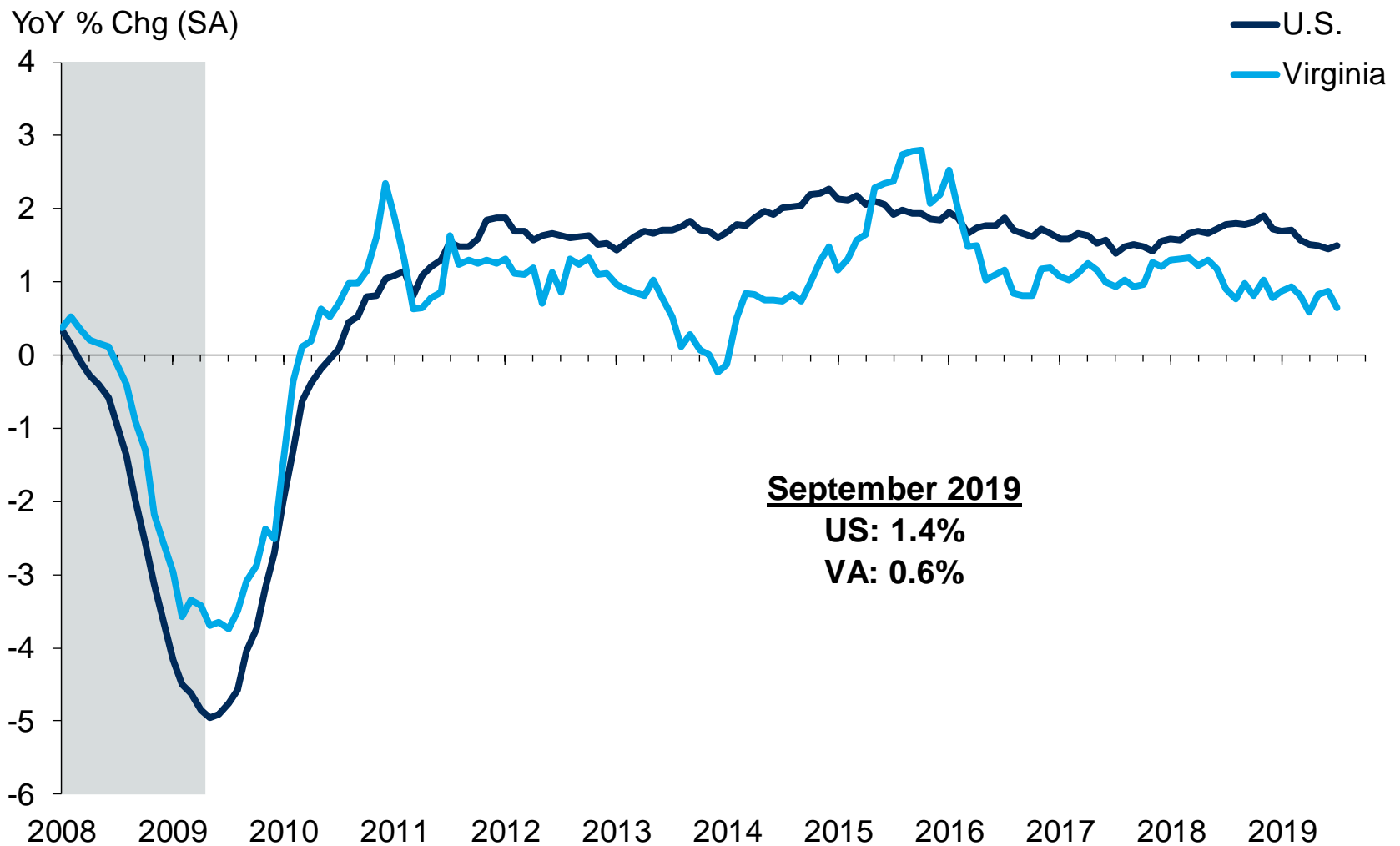
Source: The Federal Reserve Bank of Richmond/Institute of Supply Management

Economic Activity in the Fifth District Service Sector

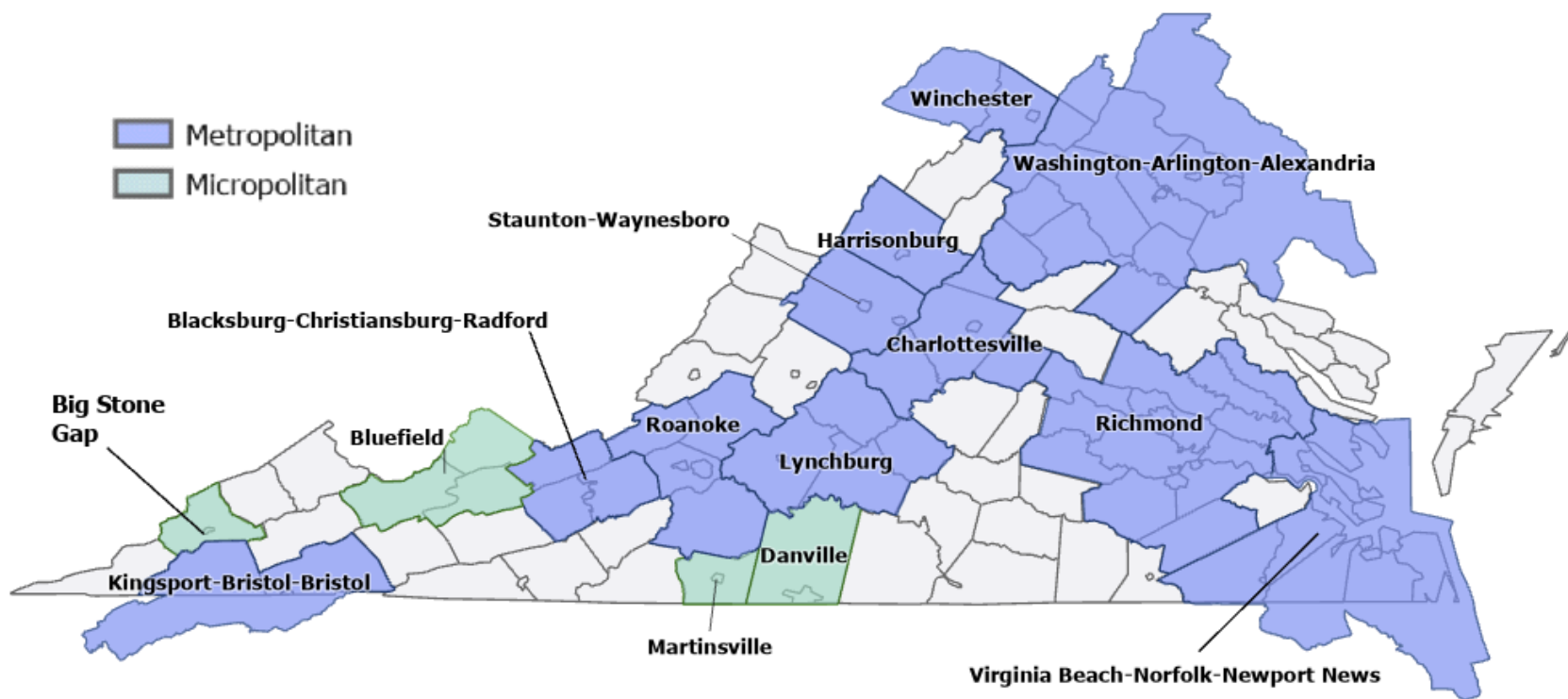


Source: The Federal Reserve Bank of Richmond/Institute of Supply Management

Payroll Employment

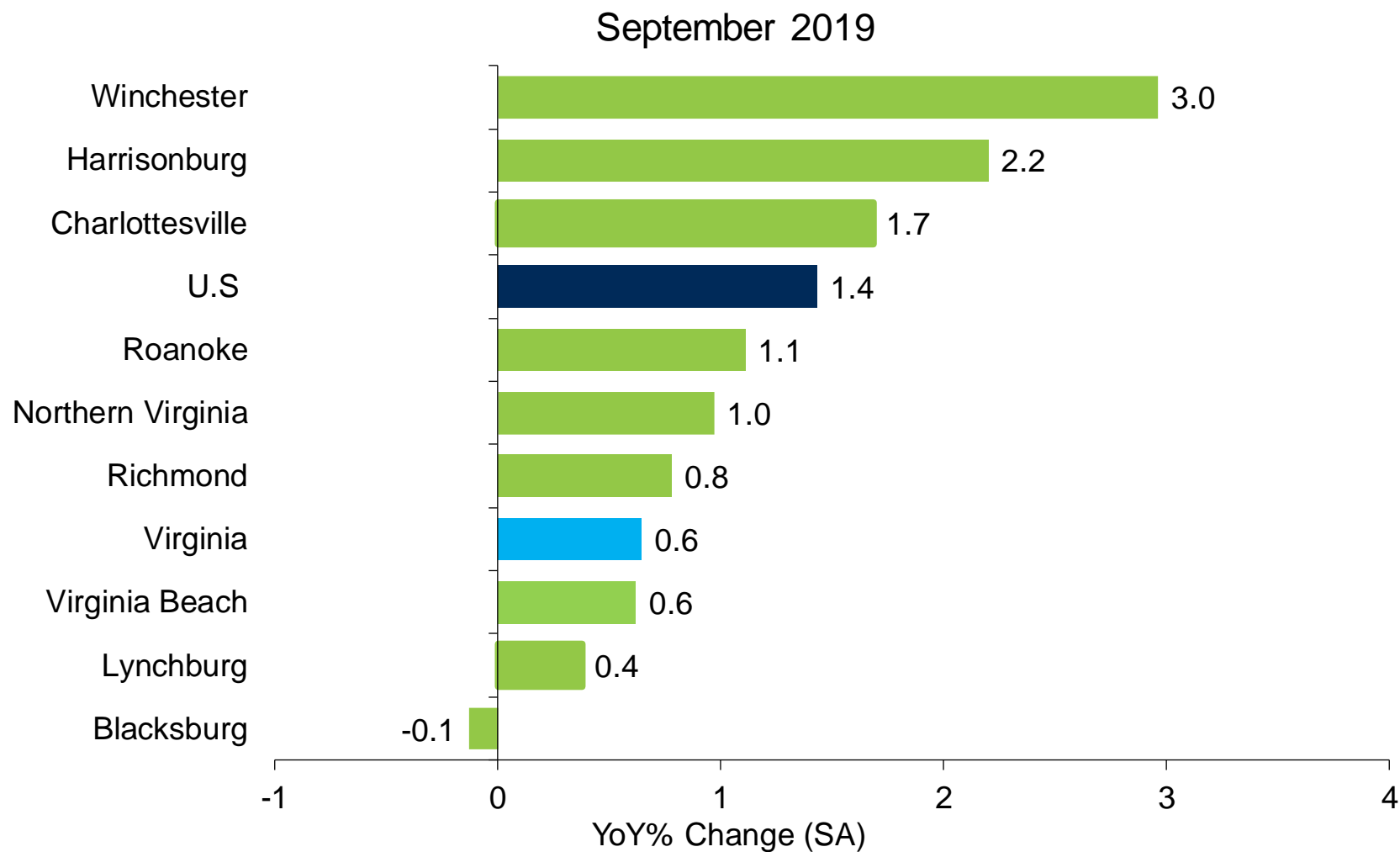


Source: Bureau of Labor Statistics/Haver Analytics



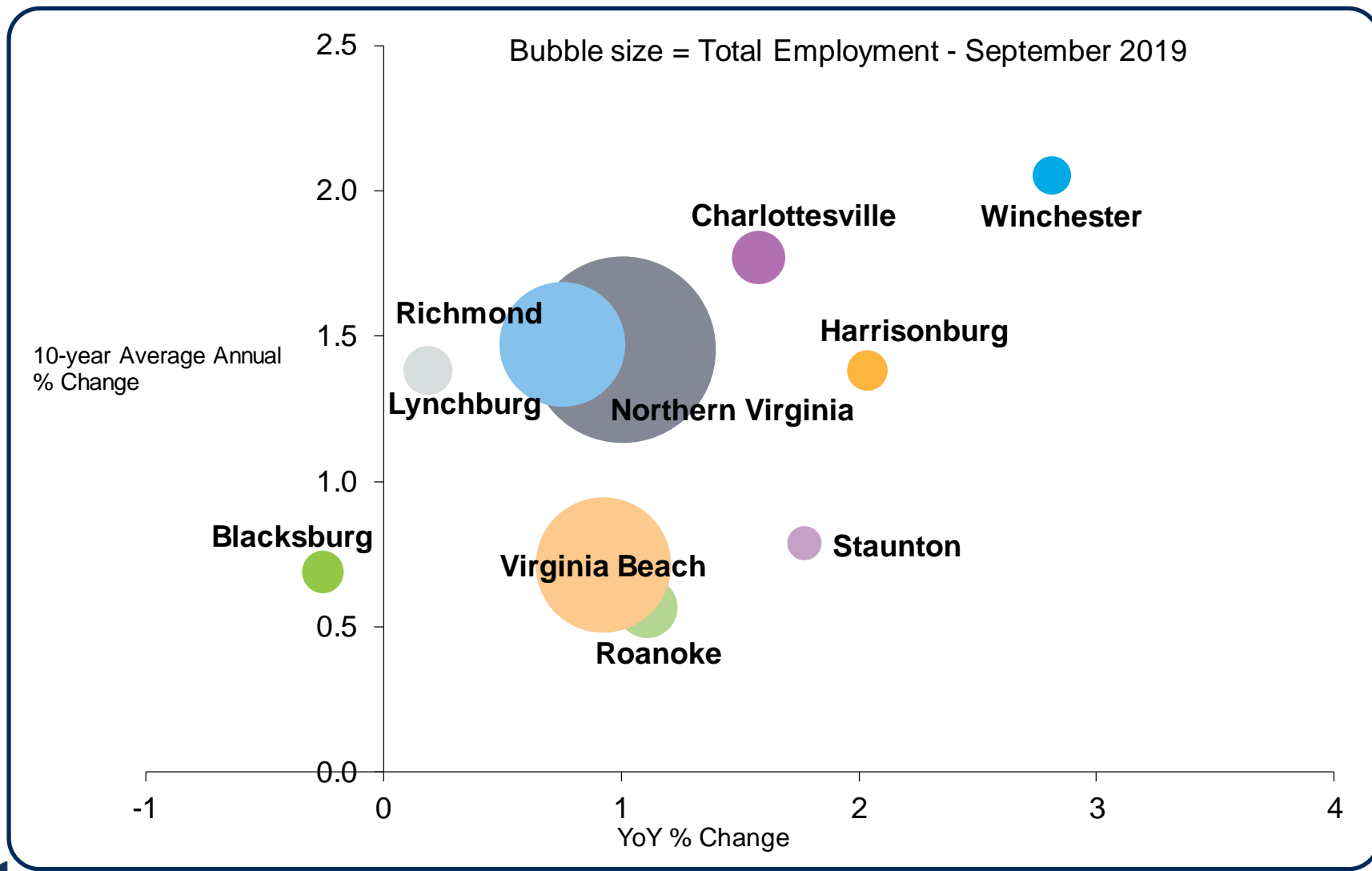
Source: 2018 Core Based Statistical Areas, U.S. Census Bureau

MSA Employment Growth



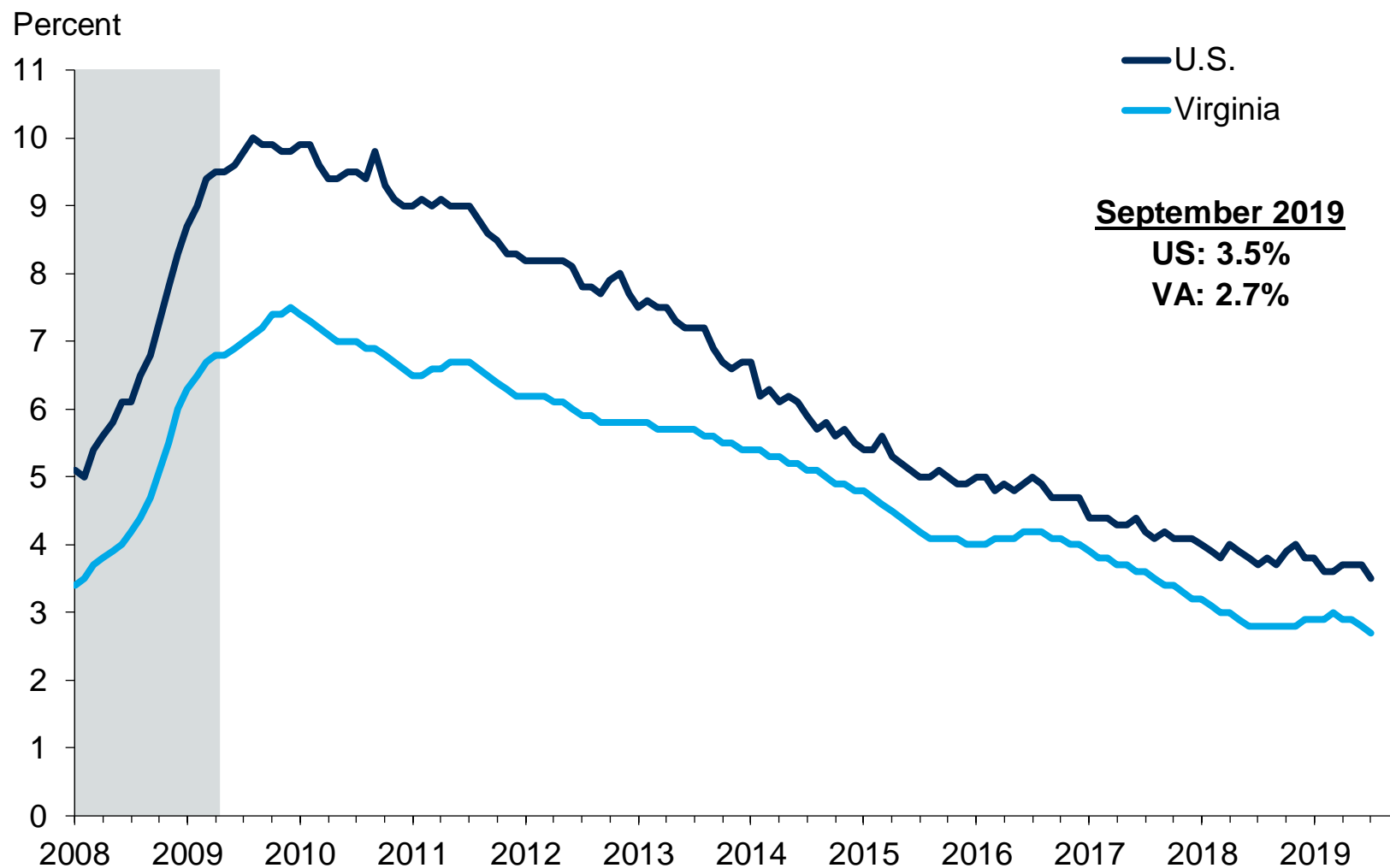
Source: Bureau of Labor Statistics/Haver Analytics

Virginia MSA Total Employment



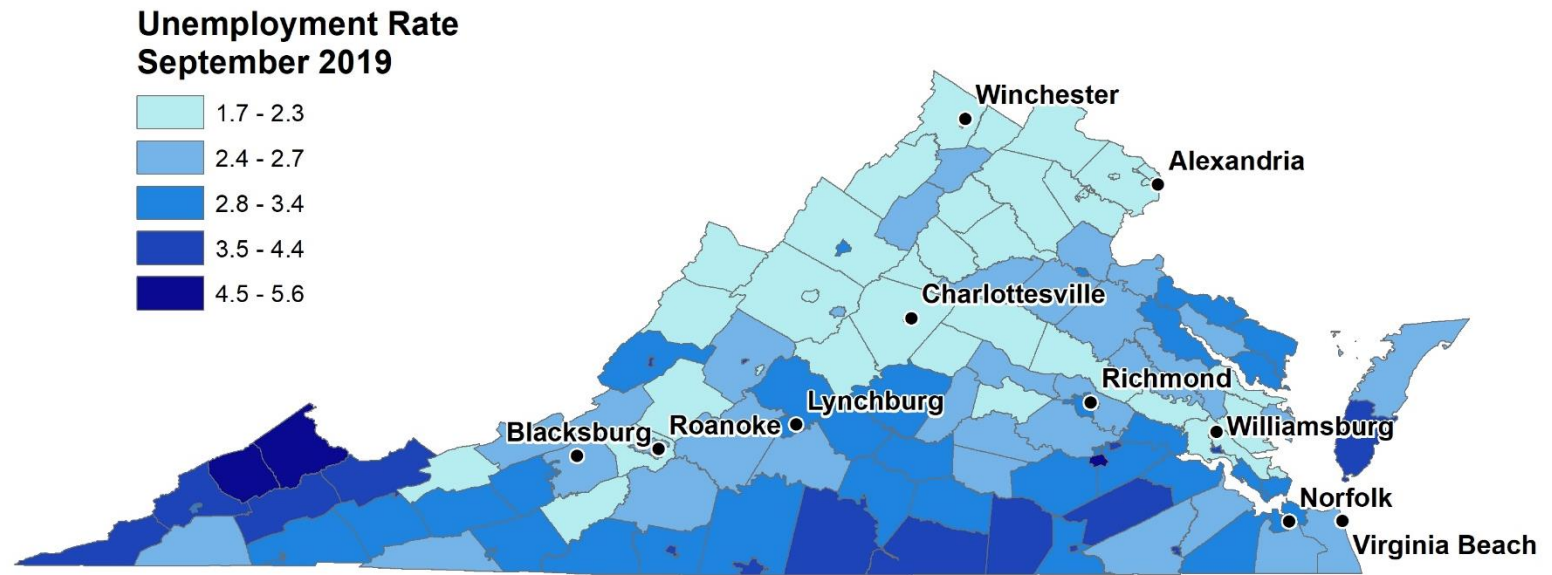
Source: Bureau of Labor Statistics/Haver Analytics

Virginia Unemployment Rate



Source: Bureau of Labor Statistics/Haver Analytics

Unemployment in Virginia Counties



Source: Bureau of Labor Statistics/Haver Analytics

Summary

- Recent economic data indicates continued growth in the U.S. economy. Labor markets are tight and consumer spending is solid.
- However, recent data on investment has been soft, manufacturing activity seems to be slowing, and sentiment continues to be less positive than it was through most of 2018.
- The Virginia economy is growing, although at a slower pace than that of the nation. Of course, economic conditions vary among regions of the Commonwealth.

Questions?

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